

Fiscal Year 2027 Budget Hearing

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Cabinet Secretary

November 18, 2025



Department Overview

Division for the
Visually Impaired
(DVI)

Office of the Secretary
(OSEC)

Division of Child
Support Services
(DCSS)

Division of Services
for Aging and Adults
with Physical
Disabilities (DSAAPD)



Division of Health
Care Quality (DHCQ)

Division of Substance
Abuse and Mental
Health (DSAMH)

Division of
Developmental
Disabilities Services
(DDDS)

Division of Social
Services (DSS)

Division of Public
Health (DPH)

Division of Medicaid
and Medical
Assistance (DMMA)





Accomplishments and Priorities

Accomplishments

**Adapting to
Federal
Uncertainty**

**Mental Health
Provider
Rates**

**Birth to Three
Program**

**Long Term
Care Facility
Inspections**

**Supporting
Unhoused
Delawareans**



11.43



DHSS



12:01 AM



Your first weekly deposit of First State Food Relief Funds is now added to your EBT card, thanks to Gov. Matt Meyer's leadership during the federal shutdown. You can use these funds for the same grocery items you buy with SNAP food benefits. Learn more at de.gov/snapalert



Type something...



Challenges and Areas of Focus

1. Changes to SNAP and Medicaid
2. Lowering the cost of health care
3. Continued innovation in service delivery



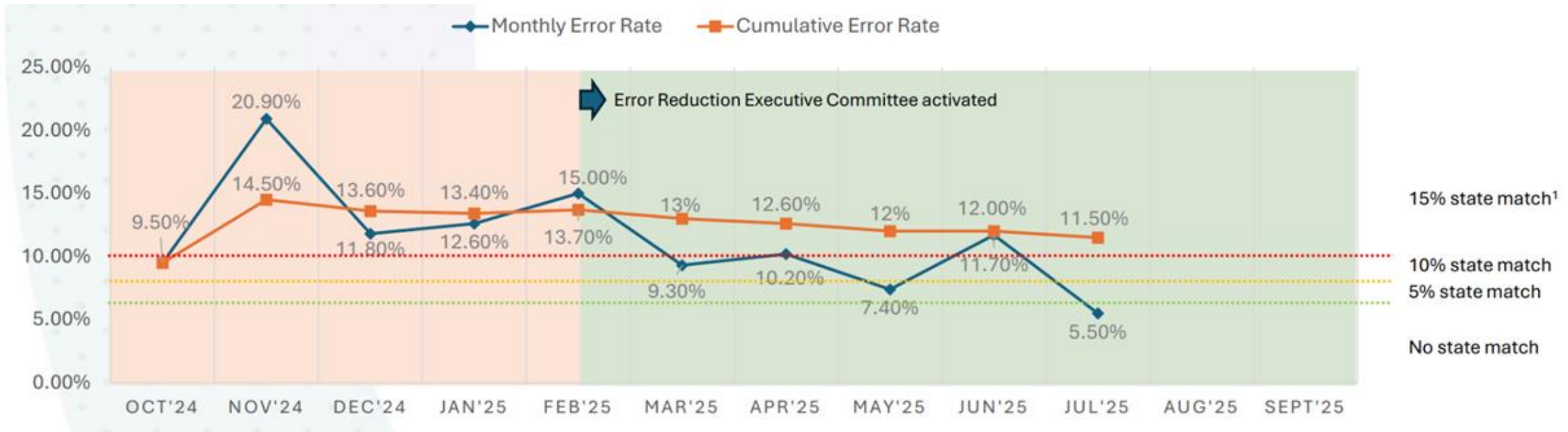
SNAP



- 11% of Delawareans rely on SNAP food benefits (120,000 individuals in 60,000 households)
 - 66% of SNAP participants are in families with children
 - 34% are in families with members who are older adults or have disabilities
- Work requirement changes:
 - Delaware had operated under statewide exemption until 10/1/2025, which has now ended.
 - More groups required to report work status effective 11/1/2025:
 - Ages 18 – 64 (changed from 18-55)
 - Do not have children under 14 living with you (changed from 18)
 - Prior exemptions for veterans, unhoused, former foster care youth ended; exemption for those physically or mentally unable to work continue
- Error rate penalties
 - States with payment error rates above 6% required to pay for a portion of benefits
 - Payment errors are largely unintentional and may be on the part of the state agency or the SNAP household; for example, the state agency incorrectly calculates a household's expenses, or a client forgets to provide the state with an update on their income



Progress in Reducing Delaware's Error Rate

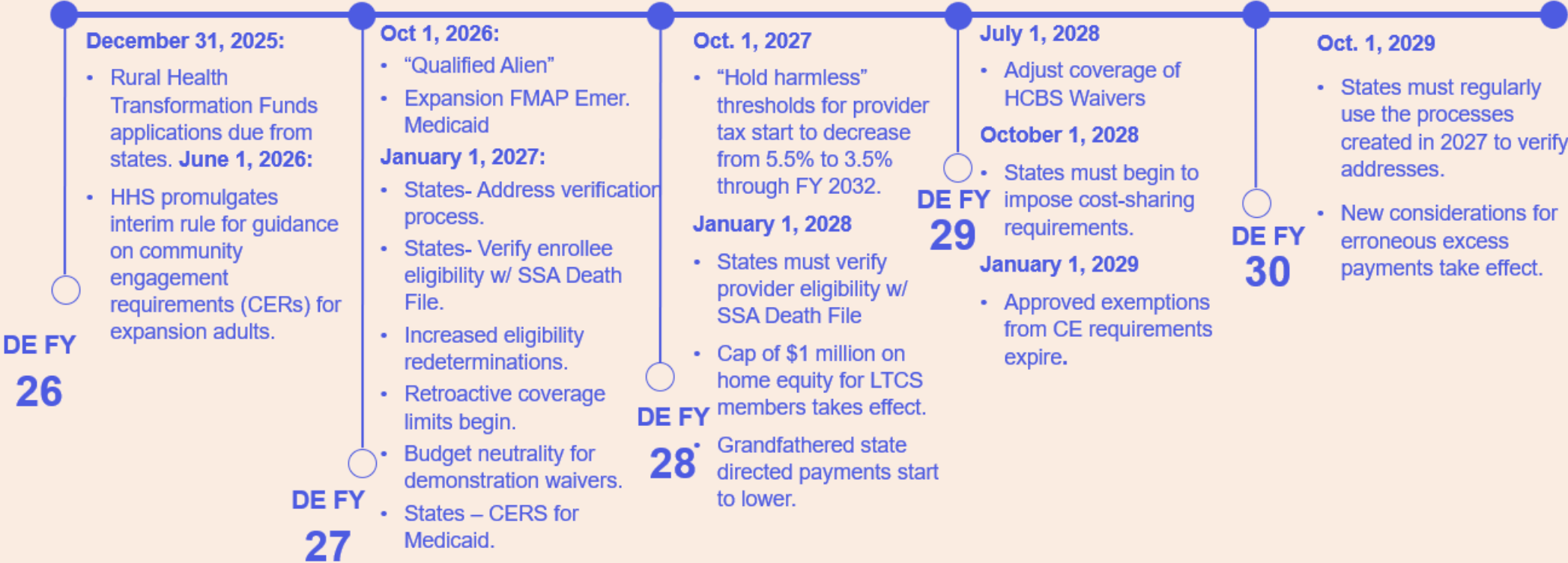


Medicaid Impacts

TIMELINE OF MEDICAID CHANGES

Upon Enactment

- Planned Parenthood prohibited from receiving federal Medicaid funds for **one year**
- Moratoriums on implementation of rules until 2034
- Moratorium on new or increased provider tax begins.
- Non-grandfathered state directed payments start to lower.
- New requirements of waivers of uniform tax requirement.



Lowering Health Care Costs

Exhibit 1. Per-Capita Personal Health Care Spending by State (2022)

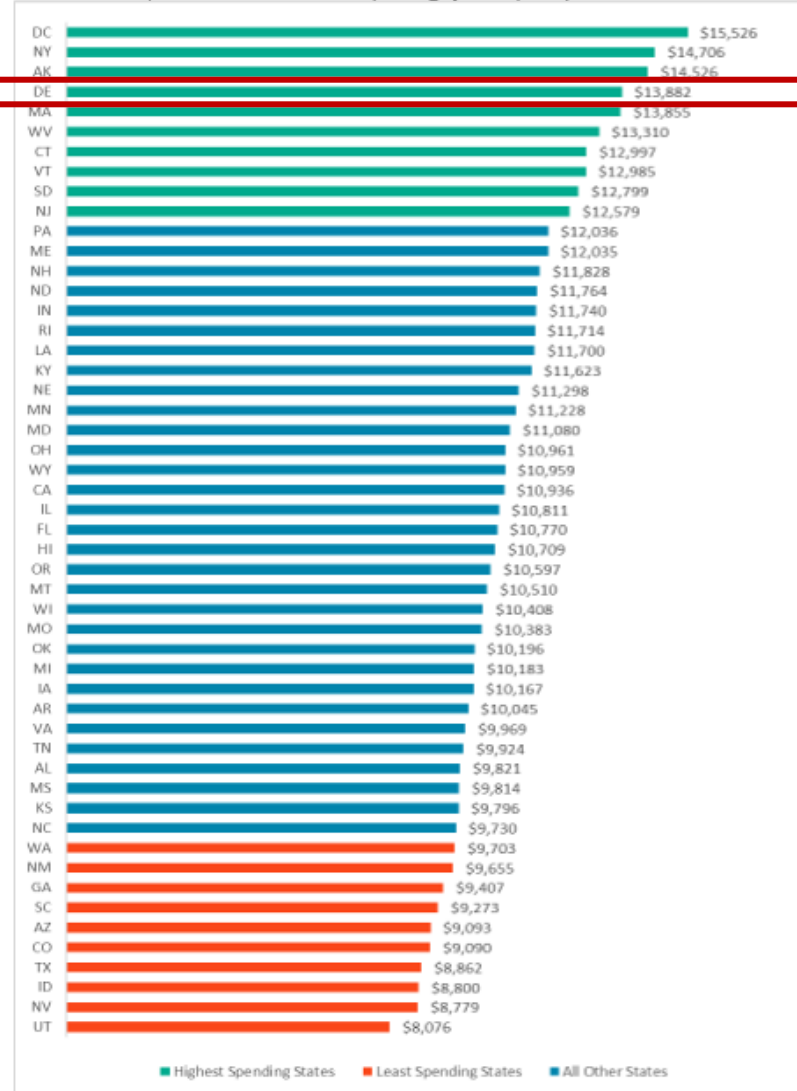
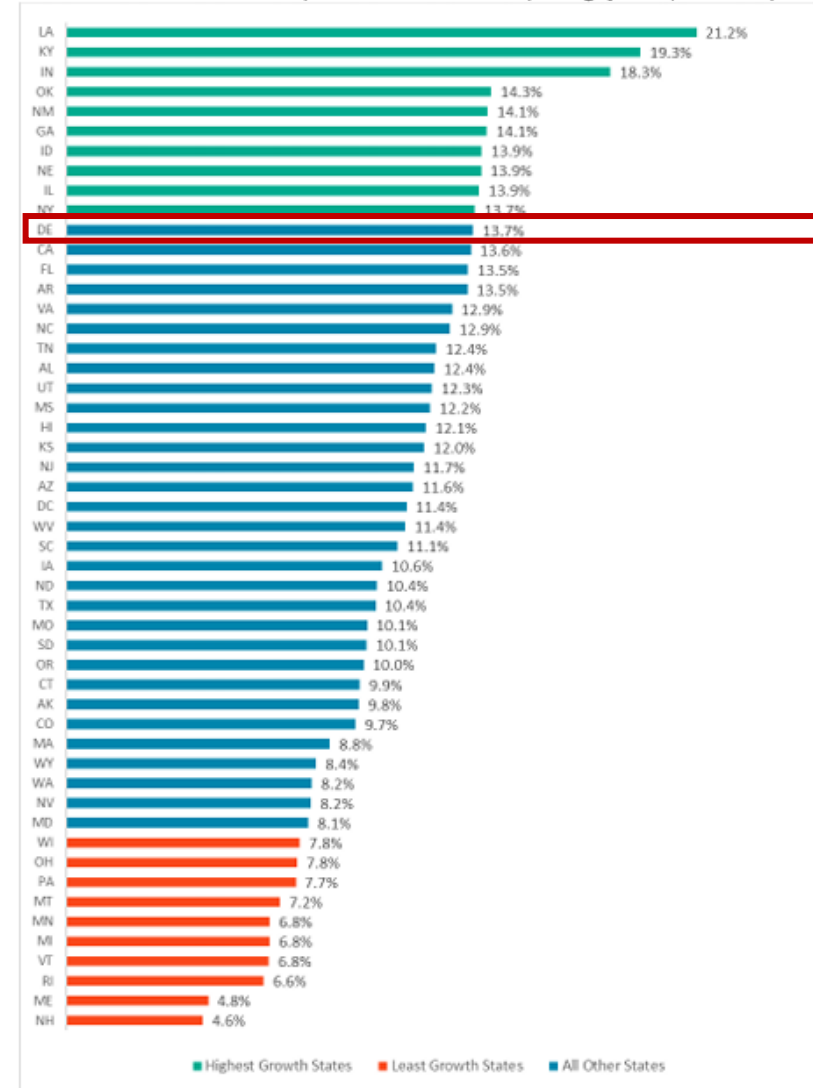


Exhibit 4. Percent Growth in Per-Capita Personal Health Care Spending by State (2019-2022)



Innovation in Service Delivery

- State programs serve people with complex health care needs at challenging moments in the lifespan
- Needs will change as Delaware's demographics evolve
- DHSS programs must continue to innovate and adapt
 - how can we deliver higher quality care more efficiently to the people we serve

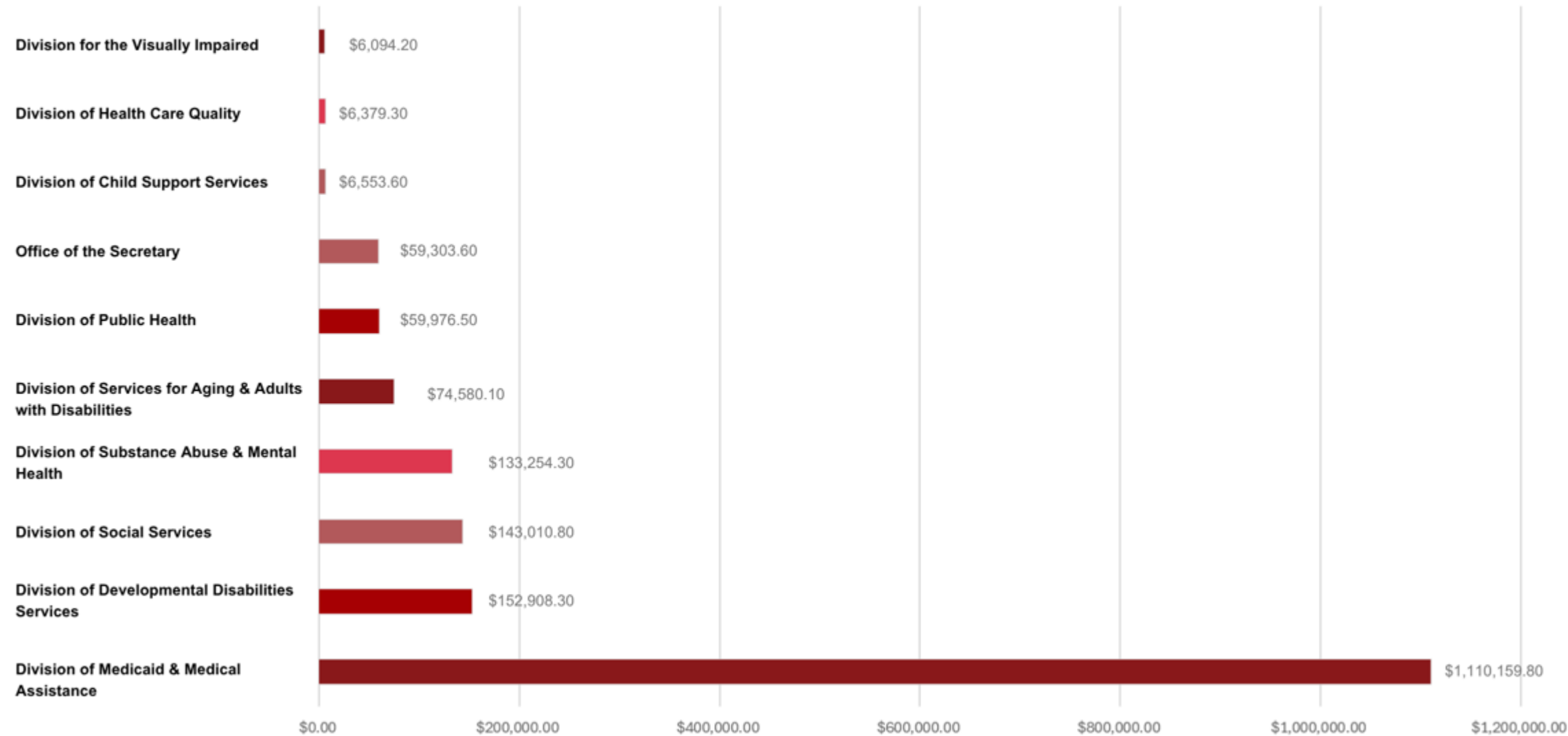




Budget Landscape

Fiscal Year 2027 Budget

DHSS FY 2026 General Budget \$1,752,220.5



Unit in thousands.



FY 2027 Budget Request



| | General Funds | Appropriated Special Funds |
|-----------------|---------------|----------------------------|
| FY 2026 Budget | \$1,752,220.5 | \$178,137.5 |
| FY 2027 Request | \$1,947,727.6 | \$178,139.5 |
| % Change | +11.1% | +0.001% |

| FY 2027 Funding Requests | \$\$ |
|--------------------------------------|-------------|
| FY 2027 Door Openers | |
| Base (include personnel contingency) | \$15,407.9 |
| Inflation/Volume | \$178,984.4 |
| Enhancements | \$1,114.8 |



FY 2027 Door Opener Requests

- Necessary responses to federal H.R. 1, particularly related to:
 - SNAP error rates
 - State match for SNAP administrative costs
- Medicaid Growth
- Tobacco Master Settlement Switch Funds



FY 2027 Door Opener Requests – Base

| Base | |
|--------------------------------------------------|------------|
| Personnel Contingency | \$11,926.3 |
| Tobacco Switch Fund | |
| Delaware Prescription Assistance Program | \$1,100.0 |
| Medicaid Assisted Transition (MAT) | \$250.0 |
| Pregnant Women/Infants | \$433.6 |
| Social Determinants of Health (SDOH) | \$650.0 |
| Supplemental Security Income (SSI) Supplement | \$664.2 |
| Personal Attendant Services | \$383.8 |
| Total | \$15,407.9 |



FY 2027 Door Openers – Inflation / Volume

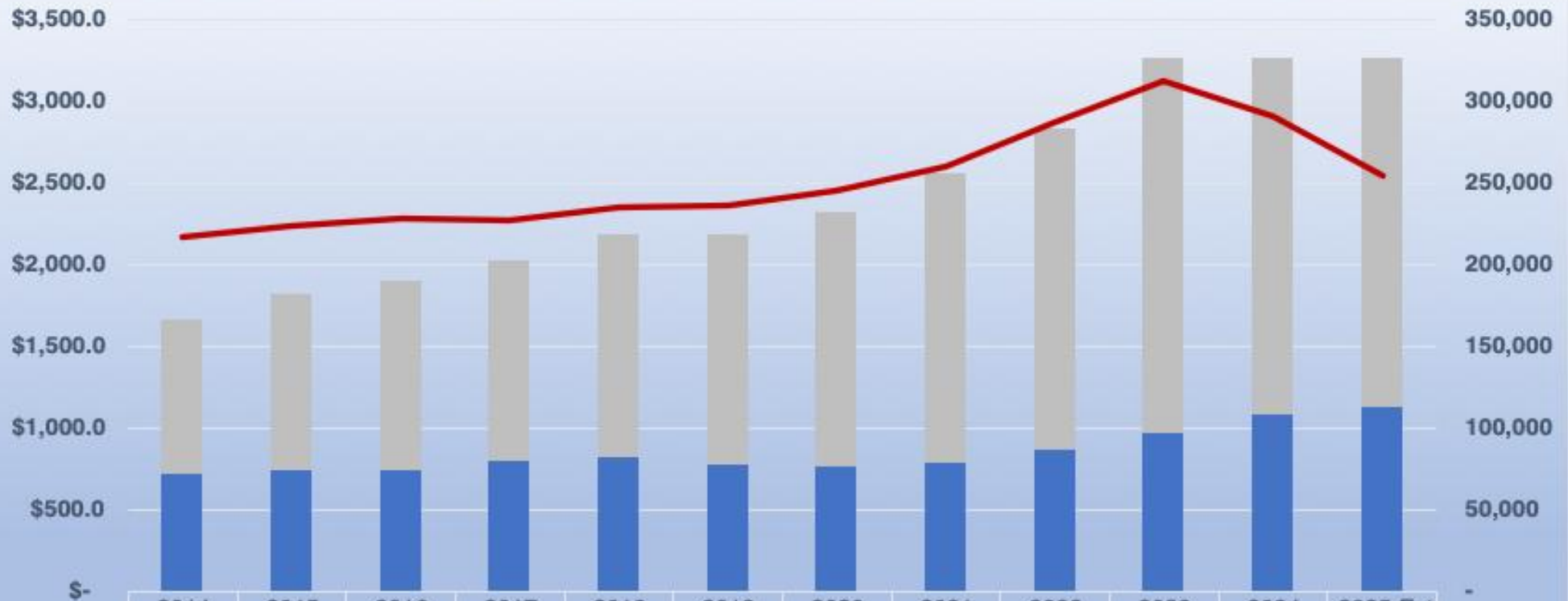
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|------------------------------------------------------|-------------|
| • Lease Escalators | \$ 91.0 |
| • Medicaid Growth | \$129,000.0 |
| • Delaware Healthy Children Program (CHIP) | \$ 1,587.4 |
| • Mental Health Rate Increase, Phase I, Part 2 | \$ 1,153.3 |
| • SNAP Admin 75% State Match Requirements | \$ 9,229.3 |
| • Purchase of Care (POC) | \$ 25,266.2 |
| • Contractual Teachers | \$ 106.0 |
| • Residential Habilitation Services – 70 new clients | \$ 11,413.2 |
| • Community Based Services – 348 new clients | \$ 1,138.0 |

Total \$178,984.4



Medicaid

Medicaid Spending and Enrollment: 2014 to 2025 Estimates

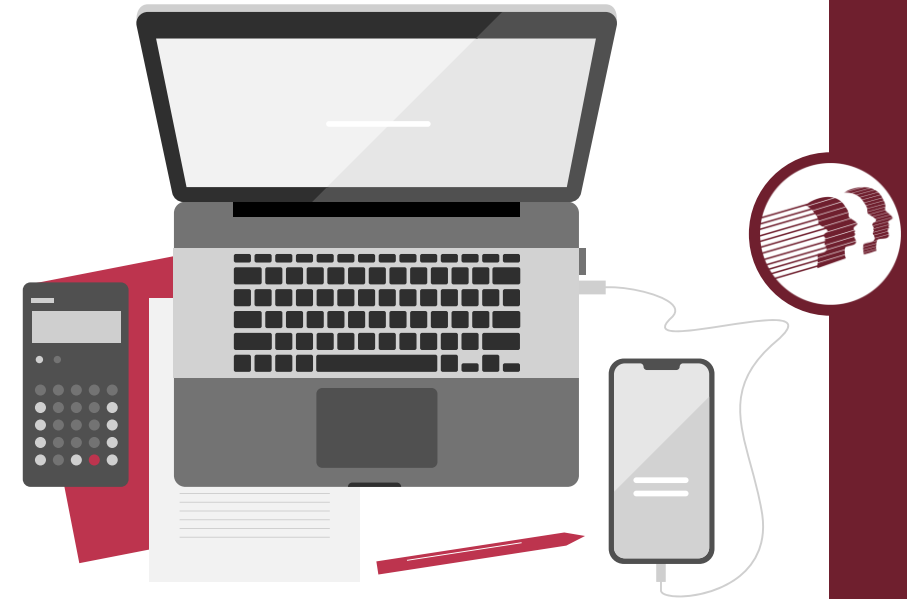


| | | | | | | | | | | | | |
|----------------------------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Federal | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 Est |
| State | \$939.3 | \$1,078.0 | \$1,155.0 | \$1,225.0 | \$1,371.0 | \$1,409.0 | \$1,557.0 | \$1,782.3 | \$1,970.0 | \$2,297.0 | \$2,182.7 | \$2,131.7 |
| Average Monthly Enrollment | \$722.0 | \$736.9 | \$745.0 | \$801.4 | \$814.9 | \$779.3 | \$762.1 | \$780.3 | \$863.4 | \$970.8 | \$1,085.4 | \$1,129.1 |
| | 217,658 | 224,198 | 228,045 | 227,209 | 234,936 | 236,113 | 245,866 | 260,611 | 287,593 | 312,754 | 290,632 | 255,201 |



FY 2027 Door Opener Requests – Enhancements

| Growth in Entitlement | |
|-----------------------------|------------|
| SmartComm Cloud Maintenance | \$ 223.2 |
| SNAP Case Reading Team | \$ 891.6 |
| Total | \$ 1,114.8 |



Reductions Request



- Every division proposed reductions to its programs, including contractual lines, fleet usage, and supplies.
- Total amount of reductions is \$6,721.9



FY 2027 State Capital Fund Requests - \$56.1 million

- Maintenance and restoration
- Minor capital improvement and equipment
- Drinking Water



FY 2027 State Capital Fund Requests - \$56.1 million



DELAWARE
ASSIST

- SNAP National Accuracy Clearinghouse compliance
- Medicaid employment, education and training application requirements
- Delaware Medicaid Enterprise System implementation and upgrade
- ASSIST upgrades, applications, migrations, and bot assistants
 - SmartComm correspondence platform
 - Children's Community Alternative Disability Program compliance
 - Change request and error backlog application
 - Public- and client-facing subsystems
 - OKTA integration for provider self-service



THANK YOU

